Panel of Lawyers with STC and MMTC

2531. SHRI S. S. AHLUWALIA; Will the Minister of COMMERCE be pleased to state:

(a) whether it is a fact that there is no criteria for ascertaining the competence of lawyers in the panel of STC and MMTC; if so, whether Government are contemplat ing to set any norms to ensure better quality of legal advice to these under takings;

(b)how many litigations, including arbitration proceedings involving these undertakings, either as claimants or res pondents, have been decided in their favour and against these undertakings with respective values, during the period 1st January, 1984 to 31st October, 1987; and

(c) what is the number of lost cases in which the Managements have settled the claims at the first instances instead of pre ferring appeals in the higher Courts?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES AND THE MINISTER OF STATE OF THE MINISTRY OF WATER RESOURCES (SHRI RAM NIWAS MIRDHA); (a) to (c) The information is being collected and will be laid on the Table of the House, as soon as it becomes available.

Payment of Demurrage by STC

2532. SHRI S. S. AHLUWALIA: Will the Minister of COMMERCE be pleased to state:

(a) whether it is a fact that pursuant to a contract finalised in 1976 for supply of special type cement to a third party in Iran, STC had shown undue promptness In respect of payment of huge demurrage claimed by the shippers, 'although the same was to be paid by the buying agents as per the terms; and

(b) whether to save the concerned STC Officials involved in that unauthorised pay ment, STC has now launched arbitration proceedings in the Indian Arbitration Council and whether the opposite party is participating in the Arbitration; if so, what are the details in this regard?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES AND THE MINISTER OF STATE OF THE MINISTRY OF WATER RESOURCES (SHRI RAM NAWAS MIRDHA); (a) No, Sir. The shipaienis of special type of cement took place in March, 1976. Payment of demurrage was made by STC in January, 1980 in the light of arbitration award obt'ained by vessel owners against STC, in August, 1979.

(b) No, Sir. STC initiated arbitration proceedings against the buyers as per the conditions of the contract. After denying liability in response to the notice sent by Indian Council of Arbitration, New Delhi, the buyers has not been participating in the arbitration proceedings. The case has been posted for *ex parte* evidence of STC

Cotton Buffer Stock

2533. SHRI RAJNI RANJAN SAHU:

Will the Minister of TEXTILES be pleased to state:

(a) whether Government have formulat ed a ten year plan for cotton bufler stock ing; and

(b) if so, what are the details thereof?

THE DEPUTY MINISTER IN THE MINISTRY OF TEXTILES (SHRI S. KRISHNA KUMAR); (a) No, Sir.

(b) Does not arise.

LIC loans for construction of houses

2534. SHRI VITHALBHAI MOTIRAM PATEL; Will the Minister of FINANCE be pleased to state;

(a) whether it is a fact that Life Insu rance Corporation has liberalised its poli cy for extending loans for the construc tion of houses;

(b) if so, what are the details of the liberalised policy; and

(c) whether there is any scheme for extending loanss to the weaker sections of the society for this purposse by the Life jDsurance Corporation; if so, what are the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRl JANARDHAN POOJARI); (a) to (c) Yes, Sir. The main features of liberalisations relate to

Graded system of rate of interest ranging from 12 per cent for loan upto Rs. 50,000/-, 13 per cent for loan-between Rs. 50,000j- to 1 lakh, 14 per cent between Rs. 1 lakh and Rs. 2 lakhs and 15 per cent for loans over Rs. 2 lakhs instead of the existing flat rate of 13 per cent. Additional interest in case of default has also been fixed at slab system ranging from 2 per cent to 3 per cent instead of flat rate of 2 1|2 per cent. Maximum amount of loan will now be Rs. 2.5 lakhs irrespective of population criteria and for metropolitan cities like Calcutta, Bombay, Madras and Delhi, it will be Rs. 3 lakhs. Divisional Managers throughout the country have been empowered to sanction loan straightaway in all centres where basic amenities are available. Now LIC policies like 'Jeevan Mitra" and 'Jeevan Saathi' for 20 years will be accepted as collateral security for a sum assured to the extent of 50 per cent of the loan as against earlier provision of sum assured equal to the loan sanctioned. If proof of income is not available for gross income not exceeding Rs. 18,000, LTC would get the income estimated through its officials. Besides, improvements have also been made in certain other procedural matters relating to investigation of title, inspection of the property, counting of agricultural income for judging of repaying capacity, classification of borrowers and simplification of proforma, etc.

Hitherto loans could be granted by LIC for purcasejconstruction of houses only against first mortgage of the immovable property. LIC have now been permitted to grant loans for purchase of flats|aD,nt-ments by the policyholders against necessary security according to the Schemes to be framed for the purpose without insisting on first mortgage of the property. This will facilitate easier availability of the loans to policyholders.

The above liberalisations will apply to loans, including those taken by weaker sections of the society.

Income-tax raids in Gujarat

2535. SHRI VITHALBHAI MOTIRAM PATEL: Will the Minister of FINANCE be pleased to state;

(a) whether it is a fact that a number of raids have been carried out by the Enforcement Directorate and the Income-tax Department in Ahmedabad, Rajkot, Surat and other cities in Gujarat during the last one year; and

(b) if so, what amount of unaccounted money was unearthed during these raids, party-wise?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B. K. GADHVI): (a) Yes, Sir.

(b) The value of assets seized in Gujarat between Novembr, 1986 and October, 1987 by the Enforcement Directorate was Rs. 11.34 lakhs (in 96 searches) and the value of assets seized in Gujarat during the came period by the Income-tax Department was Rs. 1136.06 lakhs (in 1092 searches). It is not practicable to give party-wise details.

Water from Kota barrage for irrigation in M. P.

2536. SHRIMATI RATAN KUMARI: Will the Minister of WATER RESOURCES be pleased to state.-

(a) the matter in which the water from the Kota Barrage is regulated between Madhya Pradesh and Rajasthan;

(b) whether the present arrangement is satisfactory and Madhya Pradesh is getting its due share of water from the Kota Barrage; and